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HOW THE OUTLOOK WILL COME TO YOU

A radio talk by Dr. C. W. Warburton, Director of Extension Work, delivered through WRC and 59 other radio stations associated with the National Broadcasting Company, February 2, 1931.

We are hearing much in these days about the business side of farming. Successful farming is far less simple than it was 20 years ago. Then the best farmers gave their attention, largely, to improving the soil, controlling insect pests and diseases, growing better seed, and using improved farm machinery and implements. In other words, the emphasis was on larger yields and better quality. Although a knowledge of efficient production practices is still important, we can no longer afford to overlook the economic facts that are placed at our disposal as a guide to production and marketing. To farm without an understanding of the demand for your products and the probable prices at harvest time is like running your automobile without lights on a dark night. You may be fortunate and keep to the road but the percentage is against you.

What you have just heard Doctor Olsen say about the present agricultural outlook should be of help to you in planning your farm operations. It is on how this statement of Doctor Olsen's will be shaped up for each State, county, and community and be brought to you with a view to its application to your own particular problems in farm operation that I want to talk to you.

The outlook was prepared after a long and careful study of the domestic and world situation by members of the staff of the U. S. Department of Agriculture and by representatives of the various State agricultural colleges who understand conditions in their States. It is therefore as accurate a picture of what we may expect during the year from a national standpoint as it is possible to give. The outlook is designed for the sole purpose of helping farmers to make more money. If it does not do this, it is, of course, worthless. The outlook does help the farmer. Many farmers through the use of outlook facts manage the farm business more advantageously. If the outlook is applied in a practical way to your local situation, it will help you to answer important questions that you are asking at this time. For example, you are trying, probably, to decide right now what to produce, how much to produce, and when to plan to sell. The outlook should help you in removing the element of chance from your operations during the coming season and aid you to avoid costly mistakes in reorganizing your enterprises. Let me give you a few instances of what farmers who use outlook facts have done.

The first case which comes to mind concerns a farmer in the corn belt. This farmer believes in utilizing all available sources of information. For years he has been in constant contact with the county agent and with his State agricultural college. As a result of the advice and help that he has

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received from these educational agencies, he has developed a successful system of low-cost farming. His three main sources of income are grain, hogs, and cattle. The outlook information that he frequently consults enables him to keep in touch with the trend of the market. He is thus able to determine in advance the probable prices that his commodities will bring at the time he expects to send them to the market. Consequently he can change his plans and concentrate on such products as will insure the greatest profit. Under normal conditions he keeps the same number of sows each year, but he is ready at any time to expand the number if the outlook is for higher market prices or reduce the number if the prospect is for an unfavorable market. From the outlook facts, he can also tell when to make adjustments in the weights and ages at which to market hogs to obtain the best profits. He keeps a herd of milking shorthorns. If there is an upward trend in beef prices, he buys calves, puts them on the cows, and sells beef at the time when the outlook indicates the best prices may be obtained. When the indications are for low beef prices, he makes his plans for marketing butterfat instead. Through keeping in constant touch with the latest economic information, he is able to shift his enterprises in accordance with what the market situation justifies. Today this farmer is buying land and expanding his enterprises when many farmers would sell if they could.

Another instance where outlook information saved a group of farmers a considerable sum of money was reported recently from a county in a tobacco producing section. The local buyers were offering the producers 5 to 6 cents a pound for the particular type of tobacco grown by them. The buyers stated that they could not offer a better price because there was an oversupply of the type of tobacco grown in that locality. A number of the producers fearing an even lower market were about ready to sell. However, one of them consulted the county agent, who immediately got in touch with the State economic specialist. The Bureau of Agricultural Economics of the Department of Agriculture in Washington was asked for a report on the supply and price situation of this particular type of tobacco. This report showed that there was no oversupply of this type of tobacco and that the low prices offered were not justified. Within a week after the first inquiry was made to the county agent, a meeting of interested growers was called. Between three and four hundred farmers were present. The outlook for the type of tobacco grown by them, based on information from the State agricultural college and from Washington, was presented. As a result of the favorable situation reported, the growers were reassured and held their tobacco for a better price. Within another week, the crop began to move to market at 12 cents instead of 5 to 6 cents a pound. Did the outlook in this case pay? Judge for yourself.

Of course, outlook information must be interpreted in the light of your local situation. If you are growing potatoes, for instance, and the agricultural outlook states that there will be an increase in potato acreage in the United States, it would be foolhardy to substitute some other crop for potatoes without a careful analysis of the facts. There may be other elements in your own situation that should cause you to act differently than the potato farmer in some other region or even than your neighbor. The following story of how two farmers interpreted the outlook to fit their own local conditions will illustrate this point.

A meeting of farmers was in progress at which extension workers were explaining the agricultural outlook for the coming year. The outlook for potatoes in the late potato States indicated that there would be a 14 per cent increase in acreage. The farmers were asked what they would do to take advantage of this knowledge. One man stated that the potato outlook meant that he should increase his acreage. He had been growing about 30 acres of potatoes. With the prospects for a general increase in acreage in the region and probably a larger crop and lower prices, he stated it was to his benefit to get lower costs of production. Studies of the cost of producing potatoes in his county showed that farmers with more than 30 acres could grow potatoes at a lower cost per bushel than those with smaller acreages. He had sufficient planting, spraying, and harvesting equipment to handle the larger acreage, and with the prospects for lower prices, he interpreted the outlook to mean that he should increase his potato acreage to 50 in order to reduce his overhead per acre and his cost per bushel.

Another farmer at this meeting stated that the potato outlook showed that he should substitute other crops for potatoes for that year. This man had been growing 10 acres of potatoes in some years and in other years none at all. He did not have a good outfit of labor-saving potato machinery. Cost studies showed clearly that the cost per bushel of growing 10 acres of potatoes was very high. He believed therefore that it would be to his advantage to discontinue growing potatoes temporarily until the prospects for higher potato prices were better. Both of these men are good farmers who use the outlook to help them make more money, but on the basis of the potato outlook one increased his potato acreage and the other stopped planting potatoes. The point is, study all the facts as they apply to your own farm and then make the necessary readjustments.

Now doubtless you are interested in knowing how you can get in touch with the agricultural outlook as adapted to your State and county and how you can put it to practical use in your farm business. The outlook released today presents the national and international point of view. It will be given wide dissemination in the newspapers, the farm journals, over the radio, and will be available in complete form as a printed circular. However, to be of the most practical use to you, the national outlook must be supplemented with additional information applying to your region, your State and your county. The research and extension staffs of your State college will prepare and release State outlook reports in which the forecasts will be applied to conditions in the State. These State reports will likewise be published and given wide distribution through county agents, farm organizations, banks, and other agencies. If you are unable to obtain copies of your State and National outlook reports locally, write to your State agricultural college or to the United States Department of Agriculture.

The outlook will also be discussed in most States at county and community meetings. At these meetings county agents and State extension specialists will present the local aspects of the outlook and explain how you can make profitable readjustments in your enterprises. Attendance at such meetings

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will give you a new slant on this matter of placing your farm on a better business basis.

The economic situation changes gradually during the year and facts concerning the trends in production and prices and the market demands for your farm products should be consulted frequently. Most of the State agricultural colleges issue monthly digests covering the high points of the outlook, which are available to all who request them. It is important that you keep in constant touch with agricultural prospects.

Consult your county agent at every opportunity. He will be glad to show you how to analyze your situation and make profitable changes in your farm operations. The agricultural outlook for 1931 is before you. Use it to your profit.